



# IDAHO

Department of  
Health and Welfare

**Idaho Department  
of Health & Welfare**

## **JFAC Presentation**

**Richard Armstrong  
Director**

**January 13, 2014**



IDAHO DEPARTMENT OF  
HEALTH & WELFARE

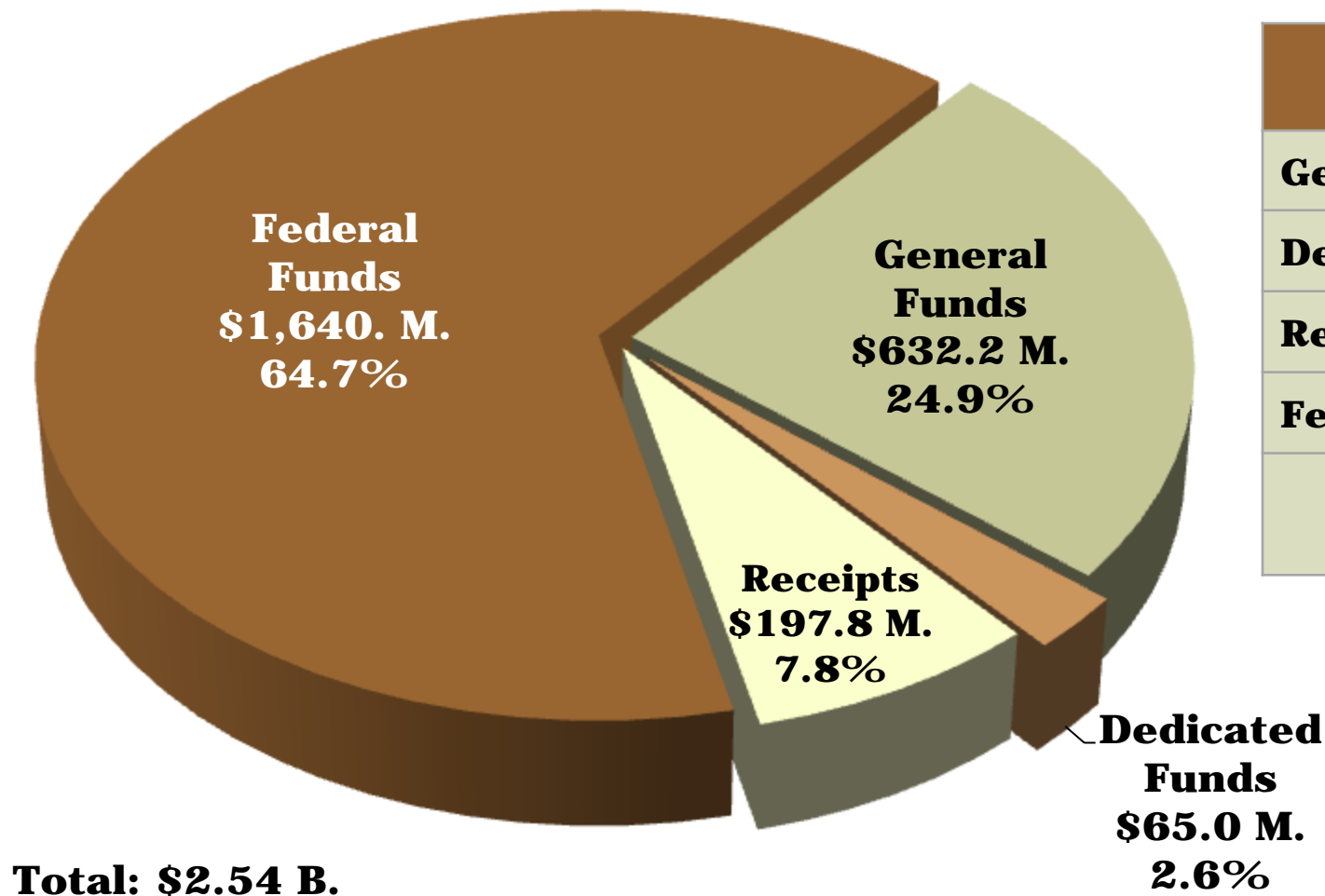


## Today's Presentation

- 1. DHW budget overview**
- 2. Medicaid eligibility/systems integration challenges with federal marketplace**
- 3. DHW workforce update**
- 4. Three DHW initiatives for SFY 2015**
- 5. "Livable Wage" impact on public assistance programs**



## 2015 DHW Recommendation by Fund Source



Increase from SFY 2014	
General	2.5%
Dedicated	1.8%
Receipts	-0.6%
Federal	1.5%
Total	1.6%



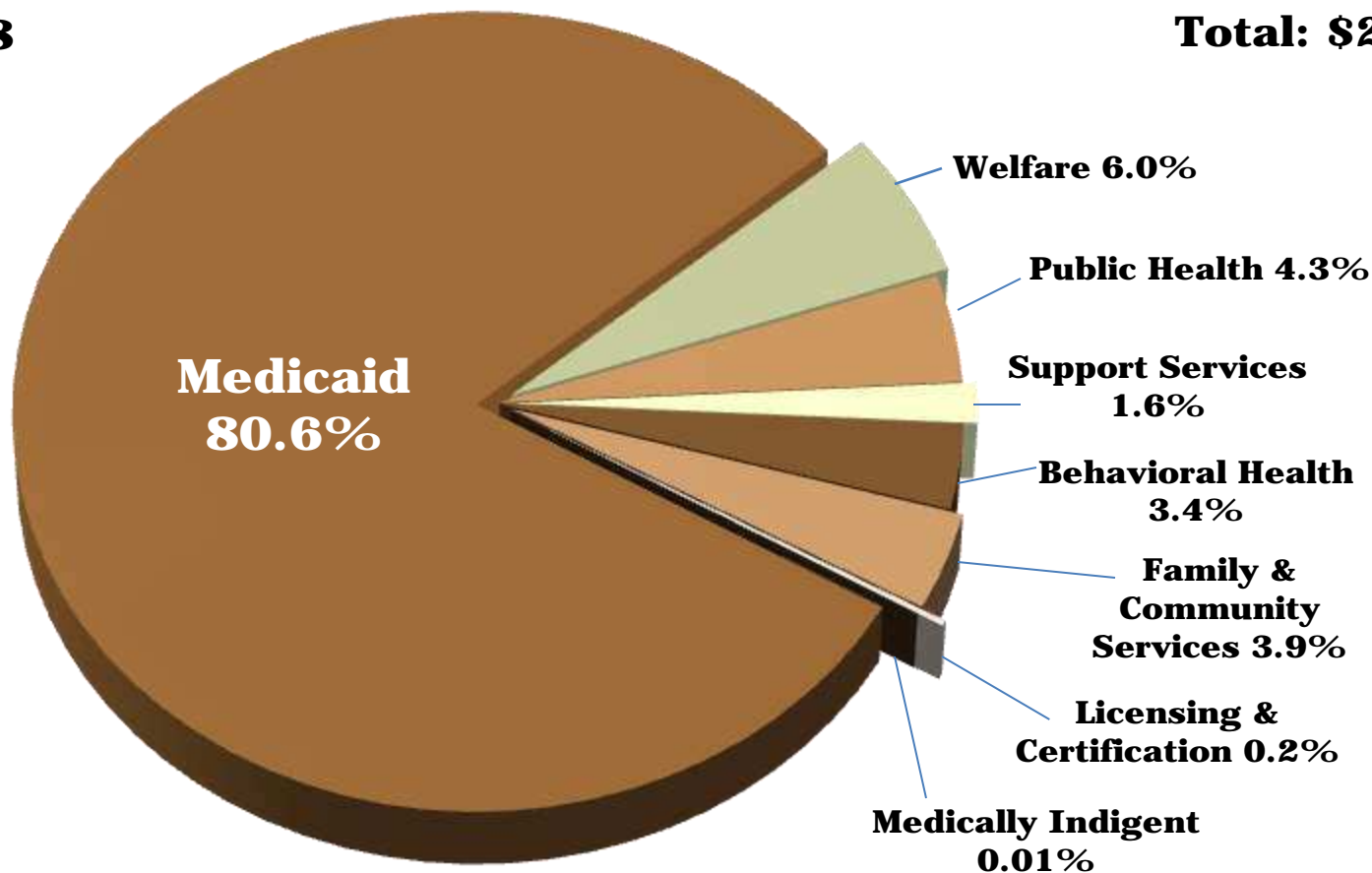
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## DHW SFY 2015 Governor's Recommendation

**LBB: 2-8**

**Total: \$2.54 B.**





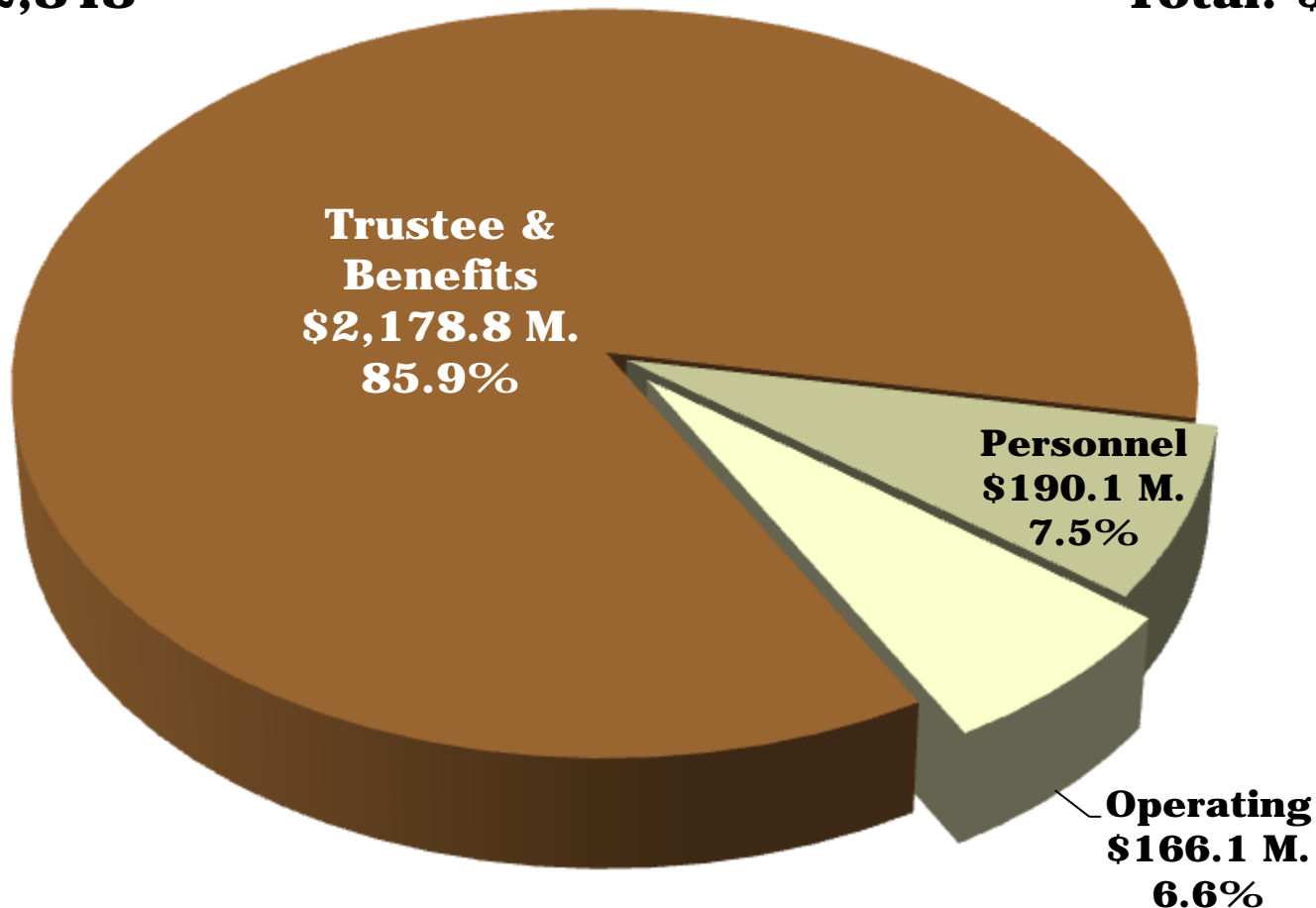
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## SFY 2015 Recommendation by Fund Source

**FTP: 2,848**

**Total: \$2.54 B.**





## **Medicaid Integration to Insurance Exchanges**

- **October testing of federally determined Medicaid files has been delayed into January due to federal problems.**
- **Between Oct. 1 and Dec. 27, the federal marketplace has determined approximately 6,000 individuals eligible for Idaho Medicaid. (2,500 households)**
  - **Growing concern that federal marketplace is making critical errors in Idaho Medicaid eligibility approvals.**
  - **Delivered letter to Health and Human Services Secretary Sebelius in late December. Message: Idaho will not accept federal Medicaid eligibility determinations at face value.**
- **Idaho will not automatically enroll the 6,000 people without validating federal eligibility calculations.**



## Medicaid Integration to Insurance Exchanges

- **Idaho is requesting separate Medicaid applications processed by state eligibility workers to protect program integrity until full testing is completed.**
- **Testing federal files will take a minimum of four weeks.**
- **Transitioning to state-based exchange will make it much easier for consumers to evaluate and apply for coverage, while assuring accurate Medicaid eligibility determinations.**
- **Blind acceptance of federally approved Medicaid applications could have proved costly to state.**





## **Workforce Report: Employee Turnover May Negatively Impact State Safety Net**

- **DHW turnover was 15% in FY13, a total of 399 workers**
- **Stress, workload, pay are contributing factors**
- **Exiting employees who share wage information are receiving double-digit pay increases**
- **Two job classifications with the highest turnover are areas state can least afford losing experienced workers: Child welfare social workers and public assistance eligibility workers**





## **Three Important State Initiatives**

- 1. Behavioral health community crisis centers for mental health/substance use disorders.**
- 2. IV-E pilot to utilize federal funds more flexibly on child welfare prevention to strengthen families and reduce foster care placements.**
- 3. State Healthcare Innovation Plan (SHIP) is public/private initiative to transform our healthcare system from volume-based to value-based with improved patient outcomes.**



## **Behavioral Health Crisis Centers**

- **Law enforcement has few options when dealing with crisis calls for people with behavioral health issues.**
- **Will be a safe place modeled after similar facilities in other states.**
- **Initial request for 3 crisis centers with plans for expanding statewide depending on costs, utilization and sustainability.**



## **Child Welfare Pilot to Reduce Foster Care Entries**

- **Idaho chosen to pilot alternative use of federal funds targeting prevention.**
- **Current prevention resources are limited.**
- **Long-term outcomes for children improve if families can safely remain together as problems are addressed.**
- **Five-year pilot could improve national model of child welfare funding for all states.**



## State Healthcare Innovation Plan (SHIP)

- **Transforms healthcare model from paying for volume of visits to paying for improved patient health outcomes.**
- **Partners healthcare providers, insurance payers, Medicaid and citizens.**
- **Model focuses on primary care provider providing and directing all needed care, receiving a monthly payment for patient management.**
- **Treatment and outcome data used by primary care practices to improve patient health.**



## Public Assistance Program Participation 2001-2013

Year	Total Population	Cash Assistance	Medicaid	Food Stamps	Child Care	Unduplicated Total
2001	1,293,953	12,799 1.0%	133,745 10.3%	59,601 4.6%	9,785 0.8%	NA
2003	1,341,131	14,715 1.1%	156,965 11.7%	84,066 6.3%	8,600 0.6%	179,901 13.4%
2005	1,393,262	15,869 1.1%	170,839 12.3%	94,956 6.8%	9,158 0.7%	197,240 14.2%
2007	1,466,465	15,640 1.1%	184,508 12.6%	86,946 5.9%	6,923 0.5%	205,396 14.0%
2009	1,523,816	16,633 1.1%	199,887 13.1%	146,516 9.6%	6,011 0.4%	245,123 16.1%
2011	1,567,582	17,410 1.1%	230,081 14.7%	234,763 15.0%	6,092 0.4%	321,403 20.5%
2013	1,595,728	18,343* 1.1%	247,964 15.5%	226,960 14.2%	6,688 0.4%	321,695** 20.2%

\*98.5% of cash assistance goes to the elderly, disabled, blind, or children being raised by relatives. Four of five recipients receive a monthly payment of \$53.

\*\*Counts are taken on June 30<sup>th</sup>, the last day of each fiscal year.



## **CATO Report: Work vs. Welfare Tradeoff 2013**

**Ranks states by the total level of public assistance benefits available to “a typical welfare family” defined as a single parent household with two children.**

<b>Highest Welfare Benefits by State</b>		
<b>State</b>	<b>Annual Equivalent</b>	<b>Hourly Equivalent</b>
<b>1. Hawaii</b>	<b>\$60,590</b>	<b>\$29.13</b>
<b>2. Massachusetts</b>	<b>\$50,540</b>	<b>\$24.30</b>
<b>3. Connecticut</b>	<b>\$44,370</b>	<b>\$21.33</b>
<b>4. New York</b>	<b>\$43,700</b>	<b>\$21.01</b>
<b>5. New Jersey</b>	<b>\$43,450</b>	<b>\$20.89</b>



## CATO Report: Work vs. Welfare Tradeoff 2013

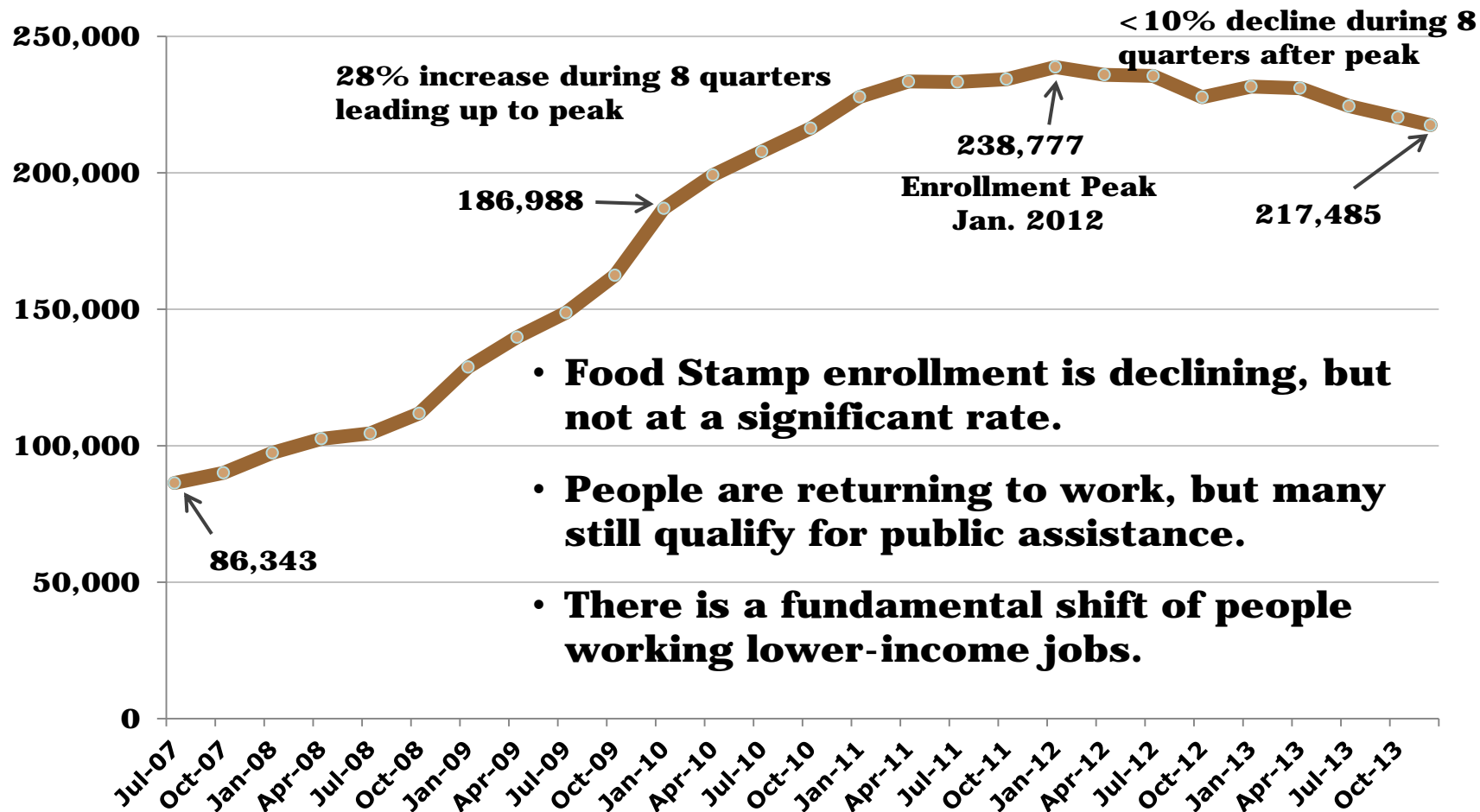
Lowest Welfare Benefits by State		
State	Annual Equivalent	Hourly Equivalent
<b>46. Texas</b>	<b>\$12,550</b>	<b>\$6.03</b>
<b>47. Arkansas</b>	<b>\$12,230</b>	<b>\$5.88</b>
<b>48. Tennessee</b>	<b>\$12,120</b>	<b>\$5.83</b>
<b>49. Mississippi</b>	<b>\$11,830</b>	<b>\$5.69</b>
<b>50. Idaho</b>	<b>\$11,150</b>	<b>\$5.36</b>

- In same report, CATO ranks Idaho #1 for the highest % of adult TANF recipients participating in work activities, 88%.
- "Other states should learn from Idaho," Michael Tanner, co-author of CATO report.





## Post Recession: Food Stamp Enrollment Stabilizes





## **Low-Income Jobs Impact Public Assistance Programs**

- **Idaho economy shed 60,000 jobs during recession; half in the manufacturing and production of goods.**
- **Economy regained approximately 40,000, but new jobs heavily weighted to service industry.**
- **Service jobs pay approximately \$10,000/ year less than production jobs.\***
- **Idahoans are returning to work as unemployment falls, but often earn less than pre-recession.**



## **Incomes Fall Below Livable Wage**

- **Idaho individual median income is the lowest in the nation.**
- **Idaho median income= \$23,200 (\$11.15/hr.)**
- **National median income= \$29,538 (\$14.20/hr.)**
- **Many Idaho incomes fall below minimum standard of living, requiring private, family or government assistance.**
- **Idahoans must earn a “livable wage” to reduce need for private or public assistance.**



## 2013 Idaho Livable Wage

For Household of 1 Adult, 2 Children

**Family A: Livable Wage Budget**  
**\$3,856 (\$22.25/hr.)**

<b>Food</b>	<b>\$536</b>
<b>Housing/Utilities</b>	<b>\$682</b>
<b>Transportation</b>	<b>\$639</b>
<b>Health Care/Dental</b>	<b>\$416</b>
<b>Child Care</b>	<b>\$808</b>
<b>Clothing/Other</b>	<b>\$222</b>
<b>Taxes/SS</b>	<b>\$553</b>
<b>Sub-Total</b>	<b>\$3,856/\$22.25 hr.</b>
<b>Monthly Deficit</b>	<b>\$0</b>

### **Family A**

- **Figures calculated using Massachusetts Institute of Technology's Living Wage Calculator**
- **A livable wage budget for 1 adult, 2 children is \$46,272 annually, or \$3,856 month**
- **Family A's budget matches its income, with no deficit or public assistance**

*\*Living Wage Calculator can be found at <http://livingwage.mit.edu/>*



## 2013 Idaho Livable Wage

For Household of 1 Adult, 2 Children

**Family B: Idaho Median Wage**  
**\$1,933 (\$11.15/hr.)**

<b>Food</b>	<b>\$536</b>
<b>Housing/Utilities</b>	<b>\$682</b>
<b>Transportation</b>	<b>\$639</b>
<b>Health Care/Dental</b>	<b>\$416</b>
<b>Child Care</b>	<b>\$808</b>
<b>Clothing/Other</b>	<b>\$222</b>
<b>Taxes/SS/Tax Credits</b>	<b>\$(367)</b>
<b>Sub-total</b>	<b>\$2,936/\$16.93 hr.</b>
<b>Monthly Deficit</b>	<b>\$1,003/\$5.78 hr.</b>

### **Family B**

- **Earns Idaho median individual income is \$23,200 annually or \$1,933 monthly**
- **Same expenses as Family A, but adjusted taxes/credits due to lower income**
- **Monthly expenses= \$2,936**
- **Family B has a \$1,000 monthly deficit**  
**\$2,936 - \$1,933= \$1,003**
- **Family B needs to earn \$5.78/hr. more to meet expenses**
- **Assistance fills gap to realize Idaho's livable wage**



## **Idaho Families Are Eager to Work**

- **Even with lowest median income, Idaho's household income ranks 42<sup>nd</sup>, primarily because both parents work in the majority of Idaho households.**
- **Nationally, Idaho has one of highest rates of workers holding down more than one job.**
- **Welfare benefits in Idaho are most stringent in nation and do not support welfare lifestyle.**



## **Idaho Works Toward Livable Wage**

- **Gov. Otter initiated Project 60**
  - **Cultivate highly skilled workforce and improve statewide business infrastructure**
  - **Recruit businesses to Idaho**
  - **Market Idaho products worldwide**
- **“K-Career” workforce development initiative to maintain a continuum of education and training opportunities**
- **Even with progress, a livable wage cannot be achieved overnight. People will need assistance until the state can re-balance equitable wages.**





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